

Avoiding the Fiscal Cliff, But Not the Steady Decline

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Although it is probably good news that congress and President Obama managed to start the New Year by avoiding going over the fiscal cliff, it is hard not to get a sense that, now that we have avoided that, we can go back to the steady decline that has characterized our economy in recent years. Moreover, while avoiding the fiscal cliff is evidence that our elected officials are not completely unable to work together or govern, there is still reason to believe that congress is not capable of governing the country in a serious way or of addressing any of the myriad problems facing the U.S.

To a large extent, the fiscal cliff was an artificial crisis arising out of the Republican-led congress' unwillingness to raise the debt ceiling in the summer of 2011. Congress' inability to function in summer of 2011 led to the formation of a super committee which was supposed to do the work which congress could not. Unsurprisingly, that super committee was similarly unable to function, thus leading to the automatic spending cuts and tax increases which were due to start this year and became known as the fiscal cliff.

In some respects, what is so unusual about the fiscal cliff negotiations is that they represented, for the most part, the every day work of congress. For decades, congress and presidents have been able to work together despite partisan and ideological differences to agree on a budget, tax policies and spending. In recent years this has broken down. In fairness, for much of recent American history, this agreement was reached by increasing borrowing, an option that is politically not as easy today as it was even a decade ago. However, the deficit alone does not explain why this basic act of governance has become so difficult.

It is possible to attribute this to an increase in partisan fighting and an increasingly partisan climate in Washington. This explanation is not entirely inaccurate, but it is also intellectually lazy and suggests a shared responsibility among the two parties that no longer exists. Now, even more than in Obama's first term, it is clear that the responsibility for most of the obstruction lies with the Republicans in congress who are largely either radical Tea Party types or leaders who are unable to discipline or deliver their caucus. Interestingly, congressional Republicans are now so committed to their extremism and heedless of the political reality around them that they are willing, even anxious, to create political problems for themselves in the name of some ideological purity that is better understood as little more than a deep commitment to disagree with President Obama on absolutely everything.

The fiscal cliff deal has done nothing to change this basic orientation of a significant segment of congressional Republicans, who are still unwilling to take the work of governance seriously, preferring to operate through ultimatums and threats. Currently, this includes a number of

prominent Republicans [calling for a government shutdown](#), seemingly because they did not get their way on the fiscal cliff agreement.

In this context, the fiscal cliff agreement means very little. The agreement not only solves nothing, but it buys very little time as the Republicans in congress seem to be pivoting quickly to discussing government shutdowns, refusals to raise the debt ceiling and other measures which will accomplish little and be destructive to the American economy.

The fiscal cliff emerged because of a failure of governance, more specifically, because of a failure of the House Republicans to make governance rather than some ersatz ideological purity a priority. Although the immediate threat was avoided, this basic condition has not changed, meaning the fiscal cliff deal resolved very little. The fiscal cliff was a political construct which turned into a potential political and economic crisis. Interestingly, the lesson some in the Republican Party learned from this is not that creating false crises is a bad idea, but that they can get attention and an opportunity to show how much they oppose the president by creating more of these crises.

Unfortunately, it is likely that the fiscal cliff will be the beginning of a series of crises rather than the resolution or end of a process. It is unclear what can dissuade the House Republicans from continuing to do this. The resounding defeat of their party's standard bearer in this recent election clearly did not accomplish this. Similarly, it is clear that leaders such as Speaker John Boehner are either unable or unwilling to try to curb this behavior. The cost of this will be quite high for the country. If one party refuses to govern, or sees it as less important than proving some increasingly obscure and irrelevant point, the fiscal cliff of January 2013 will seem like a fond memory within a year or two.